

City of San José

**Impartial Analysis**

**MEASURE T**

Disaster Preparedness, Public Safety, and Infrastructure Bond - A ballot measure proposal calling for the issuance of General Obligation Bonds for the acquisition, construction and completion of certain municipal improvements.

FILED

AUG 21 2018

REGISTRAR OF VOTERS  
COUNTY OF SANTA CLARA

By Rm Deputy

## **CITY ATTORNEY IMPARTIAL ANALYSIS OF MEASURE T**

Measure T, the “Disaster Preparedness, Public Safety, and Infrastructure Bond”, is a bond measure placed on the ballot by the San José City Council. If approved, Measure T would authorize the City to issue up to \$650,000,000 in general obligation municipal bonds (the “Bonds”) to fund the following projects:

- Upgrade of 911 communications, police, fire and paramedic facilities to improve emergency and disaster response;
- Repair of deteriorating bridges vulnerable to damage in an earthquake;
- Repaving local and neighborhood streets and potholes in the worst condition;
- Preventing flooding and water quality contamination, including the acquisition of open space in Coyote Valley for these purposes; and
- Repair or replacement of critical infrastructure that is likely to reduce long-term spending on operations and maintenance.

Bond funds could only be used to pay for the costs of the improvements and land acquisition for the projects described in Measure T, and costs of issuing the Bonds. Measure T also requires that at least \$300,000,000 in Bonds (assuming \$650,000,000 in Bonds are issued) be issued for repaving local and neighborhood streets and potholes in the worst condition.

California law authorizes cities to issue general obligation bonds to finance land acquisition or improvements to land, subject to certain limitations. State law and the San José Municipal Code provide, for example, that a measure authorizing such bonds must be approved by at least two-thirds of the voters voting on it. If Measure T is approved, an additional “ad valorem” property tax would be levied annually on all taxable property within the City to pay the principal and interest due on the Bonds. “Ad valorem” means according to value. Until the Bonds are repaid, an ad valorem tax based on the assessed value of real property and improvements would be levied on all taxable property within San José. Once the Bonds are repaid, this annual tax will terminate.

The Tax Rate Statement in the Voter Information Guide reflects the City’s estimate of the additional ad valorem property tax levy that would be required to repay the Bonds based on currently available data and projections. The actual tax levied could be more or less than the City’s estimate.

Measure T imposes certain accountability measures, including:

- Bond funds would be deposited in one or more separate accounts.
- A separate annual audit of the Bond funds would be conducted.
- The Director of Finance would annually file a public report with the City Council, describing for the prior fiscal year: the amount of Bonds issued

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and expended, the amount of taxes collected and the status of the projects.

- The City Council would appoint a Community Oversight Committee comprised of City residents to provide oversight of the Bonds' expenditure. The City Council would determine the committee's size, composition and specific responsibilities prior to the issuance of any Bonds.

A "Yes" vote would approve San José's issuance of the Bonds.

A "No" vote would not approve San José's issuance of the Bonds.

  
RICHARD DOYLE CITY ATTORNEY  
CITY OF SAN JOSE

The above statement is an impartial analysis of Measure T. If you would like to read the full text of the measure, see <http://www.sanjoseca.gov/index.aspx?nid=5694> or call 408-535-1260 and a copy will be sent at no cost to you.

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